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CONTACT: Tori Leonard 410-767-8054 443-829-9111 (m) tori.leonard@maryland.gov

SunSea Energy Suspended from Doing Business in Maryland

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Media Contact: Tori Leonard | tori.leonard@maryland.gov | (410) 767-8054

(BALTIMORE, MD) – The Maryland Public Service Commission has suspended the license of SunSea Energy, LLC, a New Jersey-based retail energy supplier with thousands of electric and gas customers in the state, for serious violations of Maryland law and Commission regulations. SunSea must immediately cease marketing and enrolling new customers in the state. All of its current customers must be returned to utility default service by 5 p.m. Monday, April 10, 2023.

At hearings conducted on April 5-6, 2023, the Commission determined that SunSea Energy has violated state laws and regulations and that the suspension is necessary to protect Maryland consumers. The complaints against the company mostly concerned the door-to-door sales practices used by SunSea Energy to enroll customers, a function that the company's CEO testified that it outsources to sales agents employed by 300 Marketing Group LLC, Marketing Made Easy and Novel Solutions. Customers have alleged, among other things, that SunSea signed them up for service without their permission, that agents did not provide customers with the required contract documents, and when customers attempted to cancel enrollments, they could not promptly reach the company's customer service representatives.

SunSea was sanctioned in April 2021 (temporarily banned from soliciting and enrolling new customers) and fined \$400,000 in August 2021, related to its misleading and deceptive telephone marketing practices. The current actions are related to customer complaints lodged against SunSea from July 1, 2022 until January 27, 2023. During this period, 41 customer complaints were filed with the Commission's Consumer Affairs Division. These complaints against SunSea represented the second-highest number of complaints among all licensed suppliers in Maryland during Q3 of 2022. In the quarter that followed, SunSea amassed the most complaints of any Maryland supplier.

The Commission ordered that SunSea must increase the amounts of its surety bonds for both electric and gas service to \$500,000 each within 10 business days. The Commission also directed an administrative law judge to conduct an evidentiary hearing regarding possible further sanctions, including the full revocation of SunSea's license, the imposition of a civil

monetary penalty, and any refunds to customers. The Commission has docketed this proceeding as Case No. <u>9647</u>.

The Commission launched a six-month 'maximum enforcement' period on February 1, after noting record-high numbers of complaints against suppliers in recent months. This effort is considered 'all hands on deck' to marshal more internal resources to investigate and, if necessary, prosecute retail energy suppliers who are failing to abide by the state's laws and regulations. It will also involve using these resources and expedited procedures to, if necessary, invoke civil penalties and/or revoke supplier licenses. This enhanced effort is over and above actions the Commission already takes to scrutinize the energy supplier marketplace.

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About the Public Service Commission:

The Maryland Public Service Commission regulates electric and gas utilities and suppliers, telephone companies (land lines), certain water and sewer companies, passenger motor vehicle carriers for hire (sedans, limousines, buses, Uber, Lyft), taxicab companies (in Baltimore City and County, Charles County, Cumberland and Hagerstown) and bay pilot rates.

WILLIAM DONALD SCHAEFER TOWER · 6 ST. PAUL STREET · BALTIMORE, MARYLAND 21202-6806

410-767-8000 · Toll Free: 1-800-492-0474 · FAX: 410-333-6495

MDRS: 1-800-735-2258 (TTY/Voice) · Website: www.psc.state.md.us